



Digital Commerce: From pureplay to omnichannel

WITH PIET COELEWIJ

From pureplay to Omnichannel

Business
Transformation

01. Phases of e-commerce

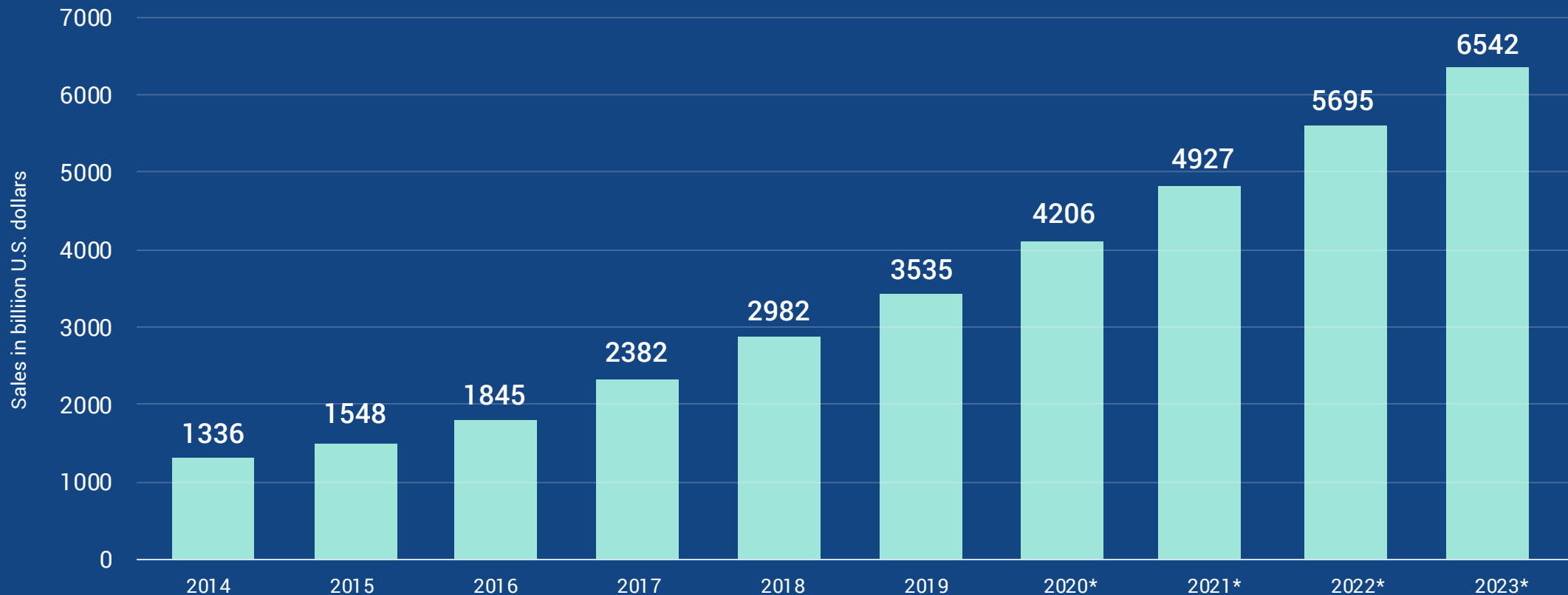
02. Why omnichannel?

03. How to overcome gaps

World e-commerce market

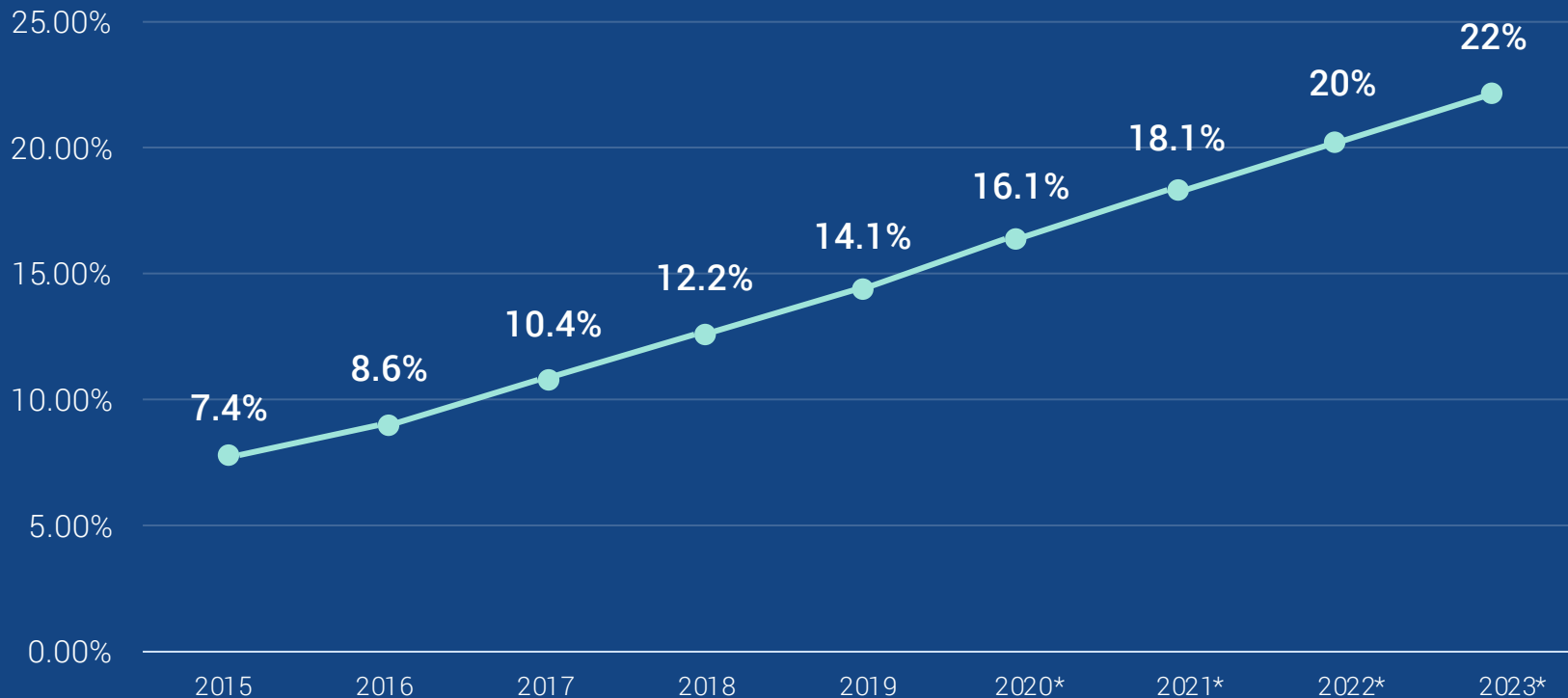
is steaming ahead

Retail e-commerce sales worldwide



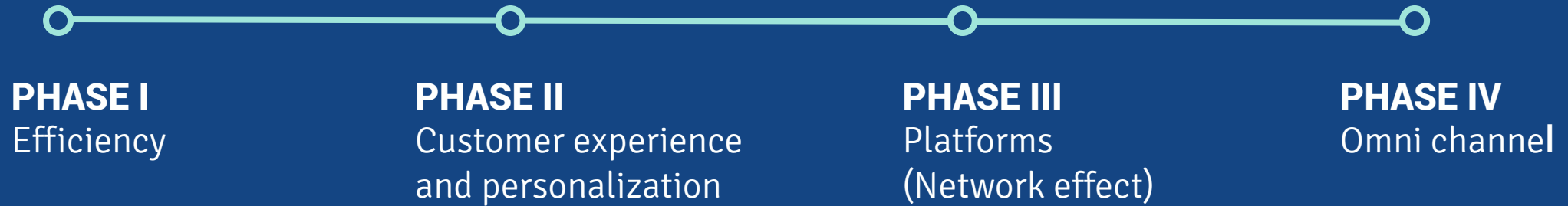
World e-commerce market *is steaming ahead*

E-commerce share of total global retail sales



Ecommerce is entering

the fourth stage of development



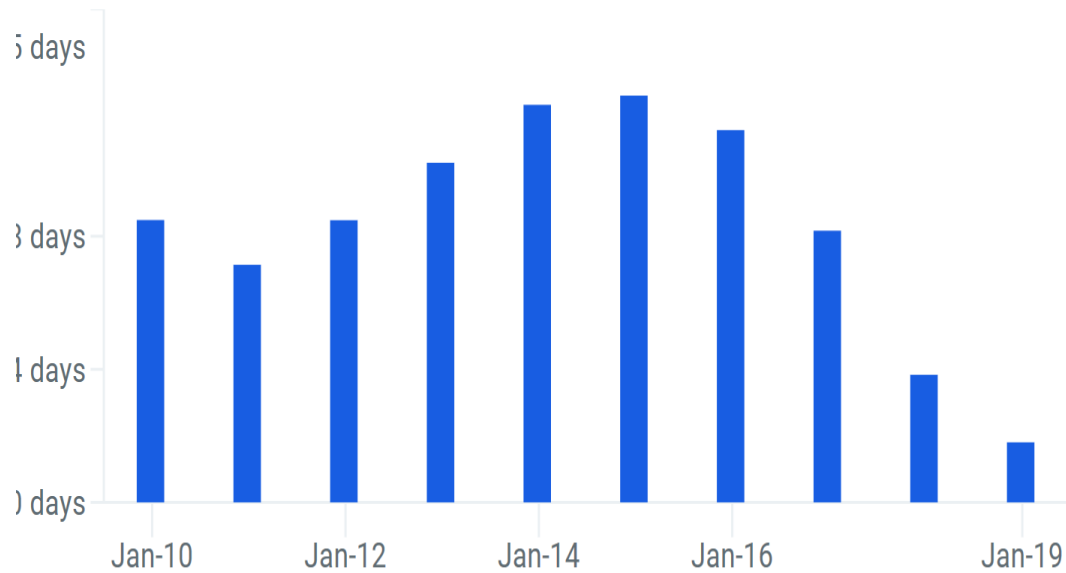
Ecommerce is entering *the fourth stage of development*



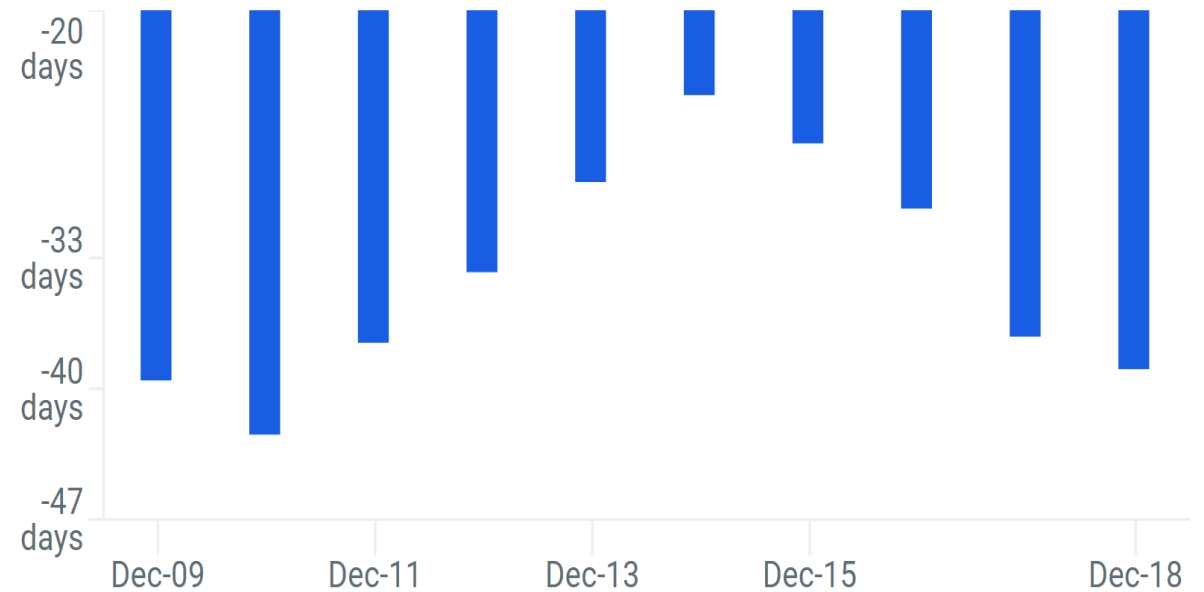
Phase 1: Efficiency;

Cash Conversion Cycle

The following section summarizes insights on Walmart Inc.'s Cash Conversion Cycle:

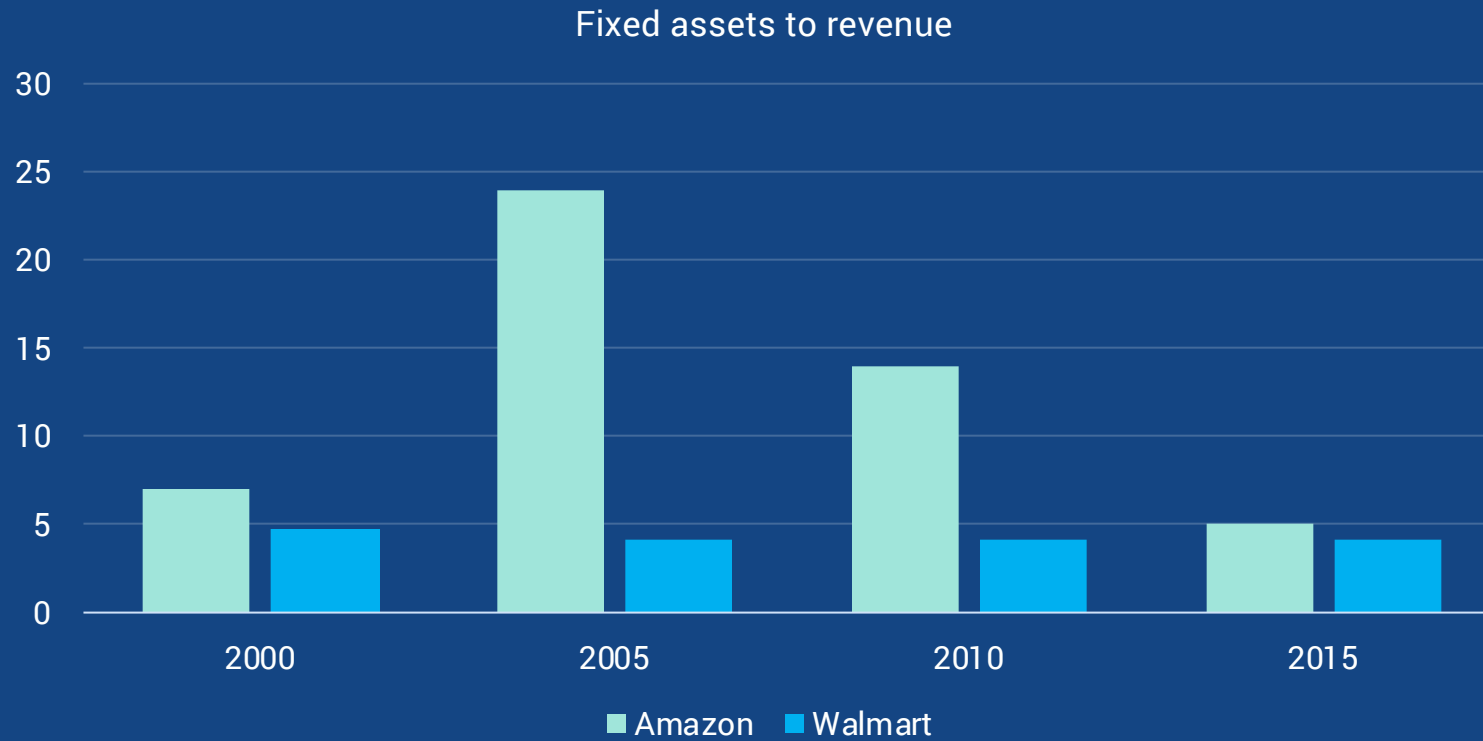


The following section summarizes insights on Amazon.com, Inc.'s Cash Conversion Cycle:



Phase 1: Efficiency;

Assets to revenue ratio, free cash flow



Phase 1: Efficiency;

Variable cost significantly lower

Comparison Between Retail and E-commerce Cost Structures for a \$150 Apparel Piece

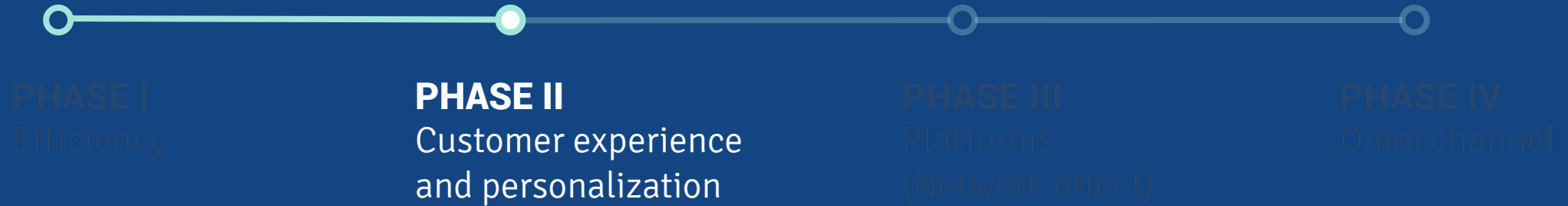


Comparison Between Retail and E-commerce Cost Structures for a \$150 Apparel Piece

Source: Adapted from the Wall Street Journal and Onestop Internet Inc.

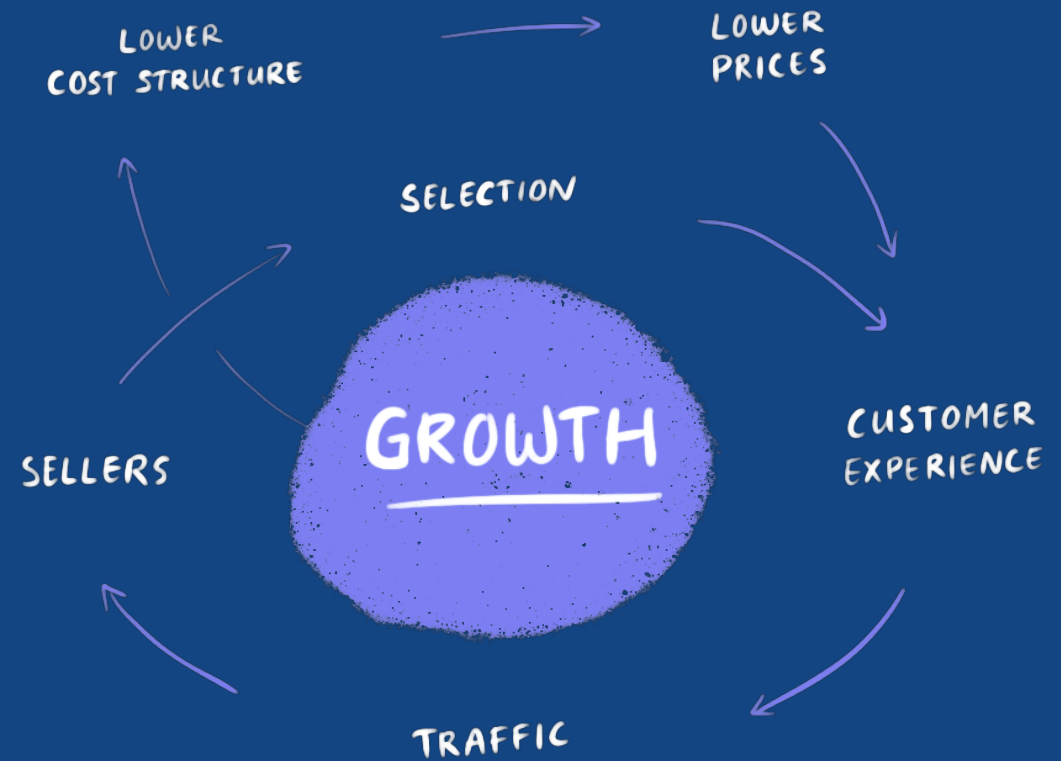
Ecommerce is entering

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Phase 2: Customer Experience;

*The Amazon
Flywheel*



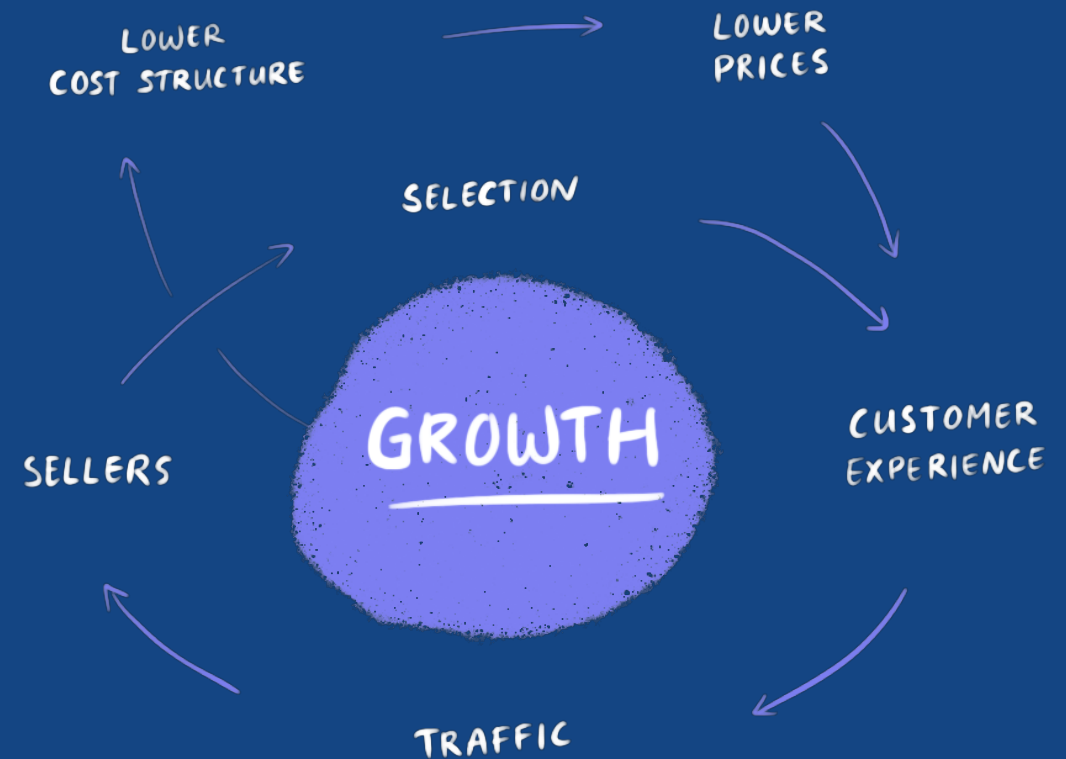
Selection Price Availability

Reviews

Personalization & Prime

Click to deliver time
Fulfilment by Amazon

Customer service



Phase 2: Amazon consistently

consistently ahead of others (Q1 2018)

	RETAILER	CSAT	NPS
1	AMAZON	83.6	46
2	BATH & BODY WORKS	82.9	39
3	COACH	82.8	39
4	VICTORIA'S SECRET	79.6	36
5	APPLE	81.1	36
6	NIKE	80.5	36
7	COSTCO	80.6	35
8	L.L. BEAN	80.5	35
9	SEPHORA	80.0	35
10	BJ'S WHOLESALE CLUB	80.8	34
11	HOMEGOODS	80.3	34
12	DISCOUNT TIRE	81.0	34



	RETAILER	CSAT	NPS
1	AMAZON	79.3	28
2	APPLE	72.9	12
3	MARKS & SPENCER	74.7	12
4	DEBENHAMS	75.7	8
5	WILKO	74.9	8
6	JOHN LEWIS	74.2	7
7	BURBERRY	72.4	6
8	B&Q	73.3	5
9	NEXT	73.4	5
10	BOOTS	73.2	2
11	HARRODS	72.5	1
12	CURRYS	71.8	0
13	SPORTS DIRECT	72.3	-2
14	DOROTHY PERKINS	71.5	-5
15	TOPSHOP	69.1	-7



	RETAILER	CSAT	NPS
1	AMAZON	79.2	26
2	DYNAMITE	72.5	12
3	CANADIAN TIRE	75.7	11
4	CHAPTERS/INDIGO	76.3	11
5	REITMANS	72.6	9
6	MARK'S	75.4	8
7	THE HOME DEPOT	75.3	8
8	BEST BUY	71.8	6
9	ROOTS	72.5	3
10	SHOPPERS DRUG MART	73.6	3
11	THE SOURCE	70.7	1
12	LOWE'S	71.7	-2
13	HUDSON'S BAY	70.6	-2
14	SPORT CHEK	72.4	-6
15	WALMART	70.0	-12



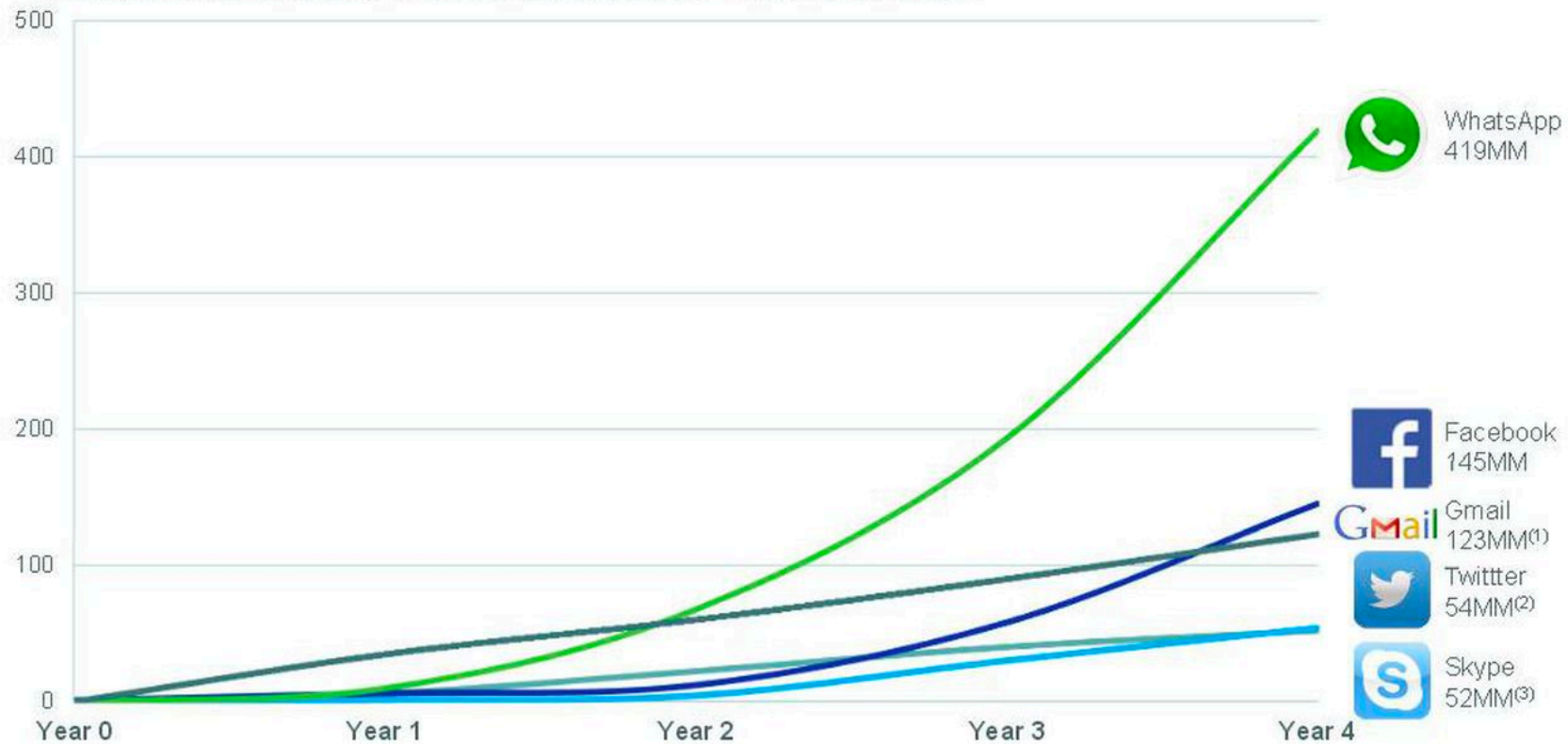
Ecommerce is entering *the fourth stage of development*



WhatsApp Extraordinary Growth in Users

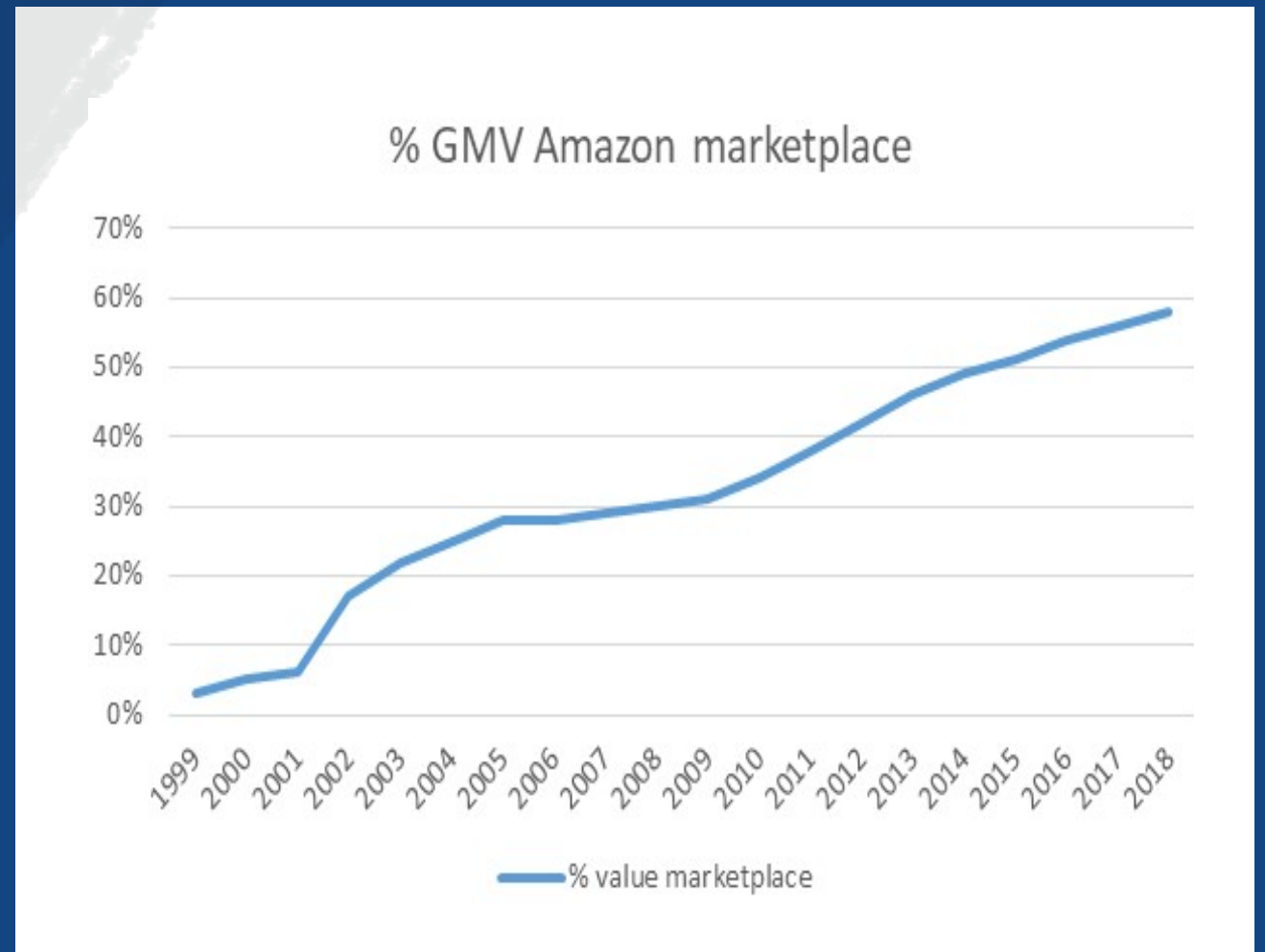
First Four Years Growth after Launch

Monthly Active User Accounts of Selected Services that are 4+Years Old, in Millions

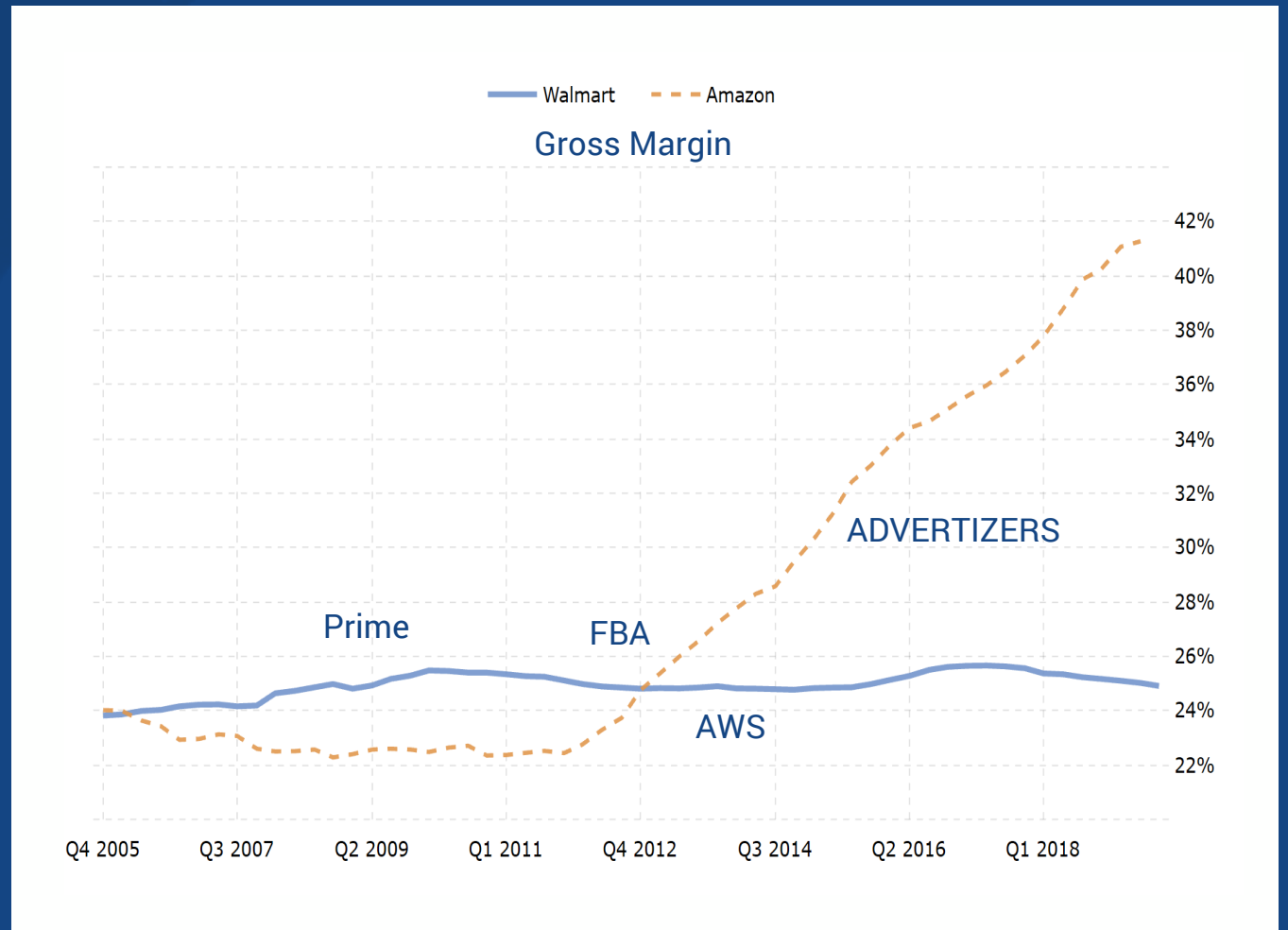


Source: (1) comScore Media Metrix
(2) comScore Media Metrix, news, and company filings
(3) News and company filings in addition to estimates derived from these sources

Phase 3: The Network *Effect*



Phase 3: The Network *Effect*



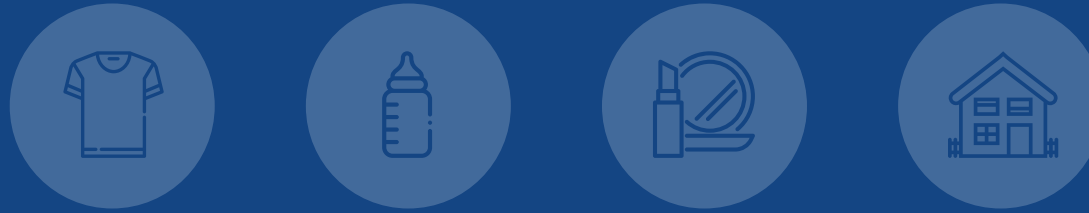
Platforms applied *in Wehkamp*



Platforms applied *in Wehkamp*



Platforms applied *in Wehkamp*



Create
partnerships
in adjacent
categories



ALLIANCES ECOSYSTEM

Platforms applied *in Wehkamp*



Platforms applied *in Wehkamp*



Ecommerce is entering *the fourth stage of development*



Phase 4:

Omnichannel > *The big guys go "bricks"*



Wehkamp

Business Transformatie

01. Phases of e-commerce

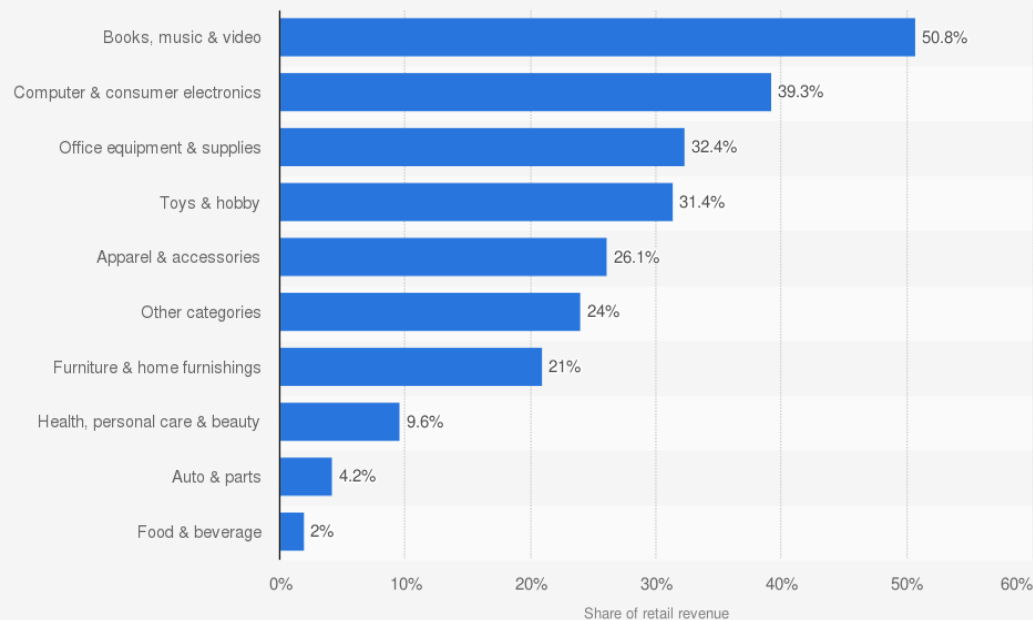
02. Why omnichannel?

03. How to overcome gaps

Phase IV; The big guys go 'Bricks'... *Why?*

Feeling, touching and seeing critical in selected categories

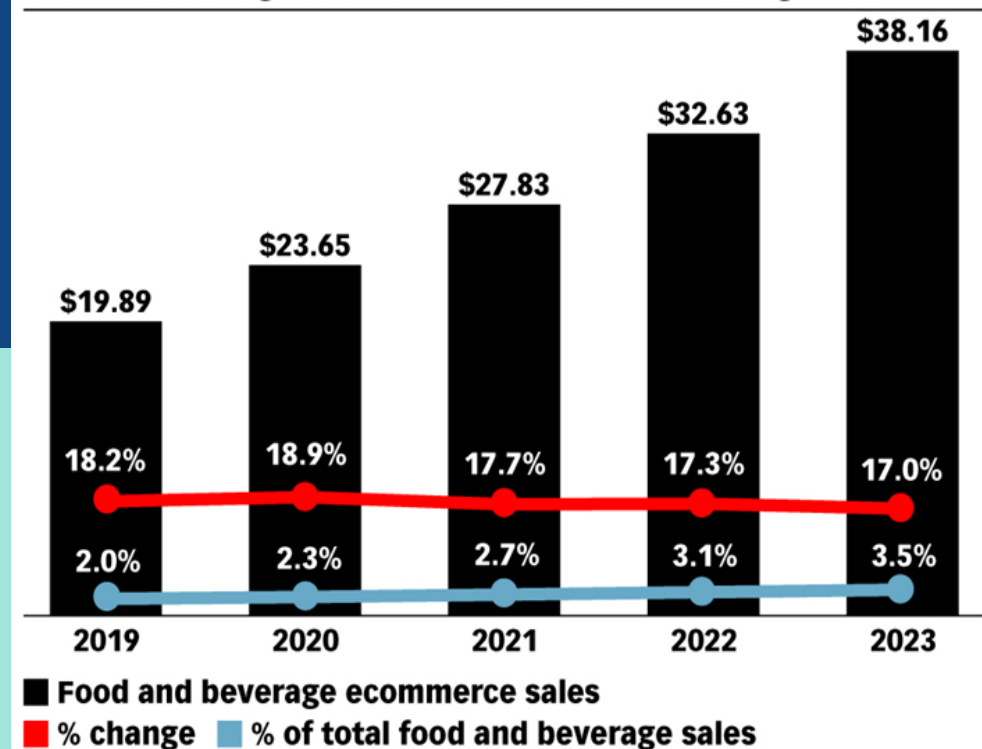
E-commerce share of total retail revenue in the United States as of February 2019, by product category



Source
eMarketer
© Statista 2019

Additional Information:
United States; eMarketer; February 2019

US Food and Beverage Ecommerce Sales, 2019-2023
billions, % change and % of total food and beverage sales



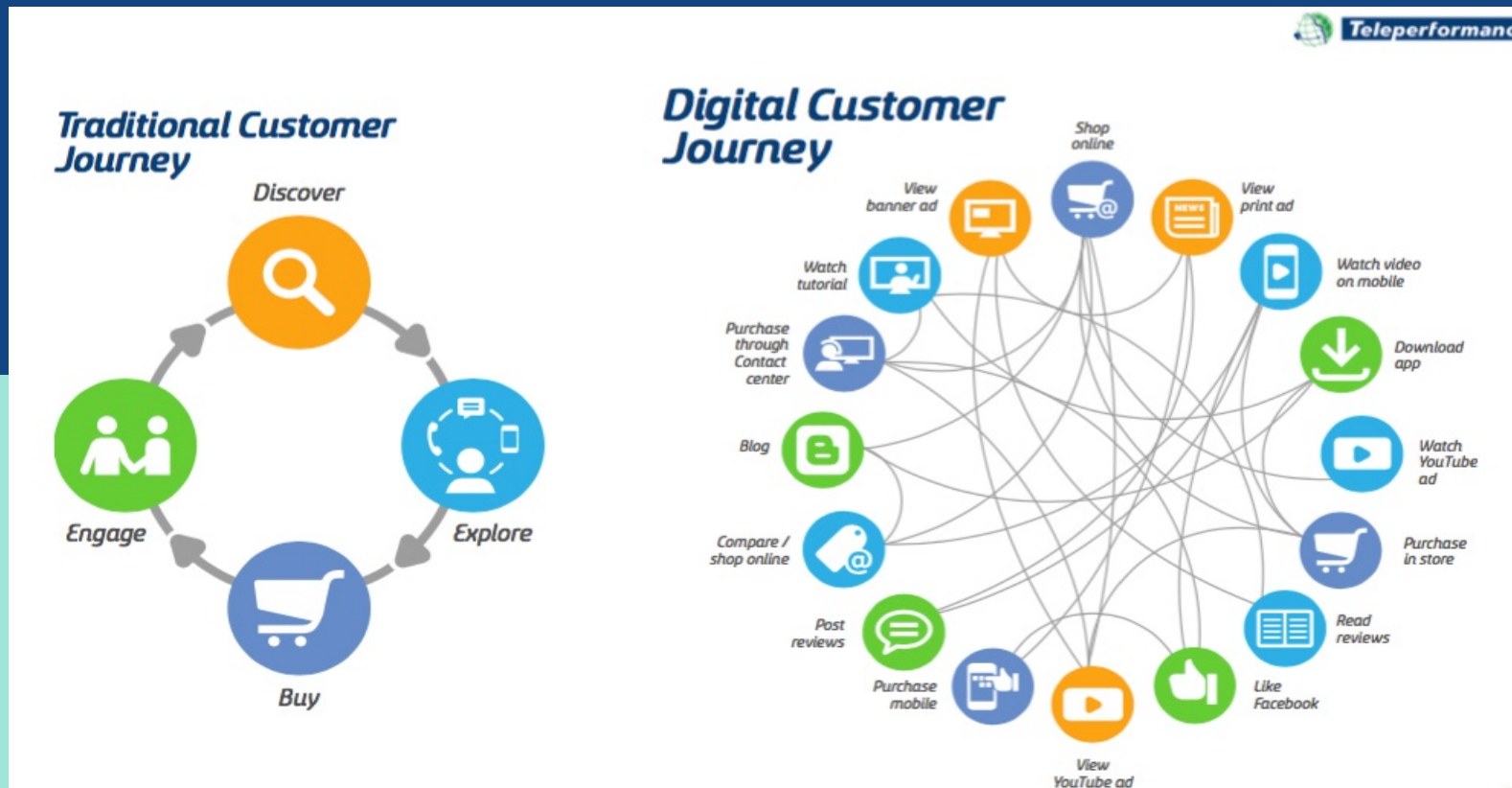
Phase IV; The big guys go 'Bricks'... *Why?*

Omnichannel pick, pack and ship much lower cost in selected categories



Phase IV; The big guys go 'Bricks'... *Why?*

Customer journey and channel are blended > Customer life time value is focus



Phase IV; The big guys go 'Bricks'... *Why?*

They know how to drive customer experience... Stores are ready for disruption.

	RETAILER	CSAT	NPS		RETAILER	CSAT	NPS		RETAILER	CSAT	NPS
70	LORD & TAYLOR	74.6	13	81	PETSMART	75.7	11	92	BIG LOTS	73.5	7
71	JUSTICE	75.0	13	82	DICK'S SPORTING GOODS	74.3	11	93	CVS CAREMARK	74.7	6
72	ADVANCE AUTO PARTS	78.3	13	83	ZARA	72.7	11	94	STAPLES	74.7	4
73	RESTORATION HARDWARE	75.6	13	84	ASHLEY FURNITURE	73.7	10	95	PEP BOYS	73.0	3
74	TALBOTS	74.9	12	85	ANTHROPOLOGIE	72.0	10	96	OFFICE DEPOT	74.1	1
75	WALMART	75.1	12	86	FOREVER 21	72.8	8	97	MEN'S WEARHOUSE	73.5	0
76	ABERCROMBIE & FITCH	74.2	12	87	CHARLOTTE RUSSE	74.0	8	98	OVERSTOCK	70.6	-1
77	DOLLAR GENERAL	73.6	12	88	STEIN MART	74.0	8	99	URBAN OUTFITTERS	70.9	-4
78	RUE21	72.5	12	89	THE BUCKLE	72.2	8	100	SEARS	70.8	-5
79	J CREW	74.0	12	90	FOOT LOCKER	75.1	7				
80	HOT TOPIC	74.4	11	91	FRY'S ELECTRONICS	73.8	7				

Wehkamp

Business Transformatie

01. Phases of e-commerce

02. Why omnichannel?

03. How to overcome gaps

Omni-channel is in *an explosion of innovation*



Boundaries between on and offline

will largely disappear.

ONLINE

One on one relationship
With customer

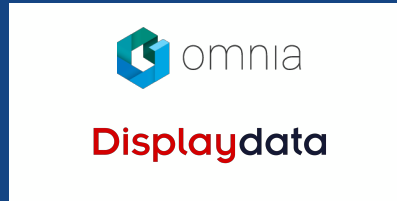
Personalization & Loyalty

Real time pricing

Reviews

Deliver to home or pick up

Reduce friction



IN - STORE

Create one on one relationship with
most customers

Personalized offers
Reward loyalty programmatically

Communicate on point of sale
(Electronic Shelf Labels)

Deliver to home or pick up
(virtual assortment)

Auto-check out

Using ESLs, *retailers can*

Deploy price and promos with speed,
agility and consistency

Optimize revenues and margins

Improve the customer experience

Free associates to better serve
customers

Align omnichannel experiences

Business case, *by area*

MARKETING

Improve the store environment, launch price and promos with agility, connect with customers in new and engaging ways

GROW SALES AND PROTECT MARGIN

Dynamic pricing strategies, react instantly to match or beat competitor offers and promos

OPERATIONS

Reduce costs – not only labels changes, but time consuming processes to free staff to better serve the customer

SIMPLE IT INFRASTRUCTURE

Light infrastructure and centrally managed solution

Our solutions deliver *rapid ROI*

A Displaydata grocery customer
with over 800 stores



Our solutions deliver *rapid ROI*

ROI payback in less than 16 months with:

Over

170%

ROI within **2 years**

Over

400%

ROI within **5 years**

Savings come from not having to manually amend incorrect labels (750 incidents per week):

Saving

360,000

hours

\$4,400,000

Per annum

Technology is not the problem

In most companies culture is.

How we stay ahead



.....embrace our customer



.....transparent in everything



.....think big, start small



.....data x vision = insight



.....make choices

1

2

3

4

5

How we bring our best self

feel involved.....



join forces.....



make the difference.....



continue to grow.....



have fun.....



Resumed

- 01.** E-commerce is going into it's fourth phase > Omnichannel
- 02.** Pure-players are creating better customer experiences than bricks retailer
- 03.** Boundaries between on and off line will disappear
- 04.** This is based on 1 on 1 relationships with customer
- 05.** Companies **MUST** be data driven and on the learning curve for AI
- 06.** Technology is a commodity
- 07.** Radical cultural change is needed in most companies